GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:334
ANSWERED ON:19.02.2003
INVESTMENT BY VSNL
PAWAN KUMAR BANSAL

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the decision of Videsh Sanchar Nigam Limited (VSNL) to transfer/invest Rs.1.200 crore elsewhere is contrary to the terms of disinvestment ; and

(b) if so, the response of the Government thereto and the action taken , if any?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRIMATI SUI MAHAJAN)

(a)&(b) Sir, investment decision of Videsh Sanchar Nigam Ltd. (VSNL), after its disinvestment, would be governed by the provisions of Company Law and those of the Shareholders Agreement and Share Purchase Agreement . Investment which conform to these regulations and which enhances the enterprise value of the subject company is in consonance with the spirit and objectives of the disinvestment.

It was however agreed to form a Sub- Committee to carefully analyse and consider the desirability of such an investment by VSNL in the targetted company. The committee decided that, in the first 4 years, an amount of Rs. 636-80 crores will be invested by way of equity in Tata Tele Services. An option has been kept to invest sum of Rs. 199.00 crores as per timetable and mode to be decided mutually between VSNL and Tata Tele Services Ltd. This arrangement has been found to be satisfactory.